



# ARIZONA DEPARTMENT OF TRANSPORTATION

## HIGHWAY DIVISION

206 South Seventeenth Avenue - Phoenix, Arizona 85007-3213



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Governor

LARRY S. BONINE  
Director

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State Engineer

### **Engineering Consultants Services**

### **INFORMATION BULLETIN 93-12**

**September 9, 1993**

**TO: CONSULTANTS**  
**FROM: ENGINEERING CONSULTANTS SERVICES**  
**SUBJECT: ADVANCE AUTHORIZATIONS FOR  
PROPOSED CONTRACT MODIFICATIONS**

**Please find attached a copy of the information provided to all ADOT Project Managers on issuing advance authorizations for proposed contract modifications.**

**If you should have any further questions, please call the Contract Specialist assigned your contract.**

**RET/ret**

**B2.3.1**

ARIZONA DEPARTMENT OF TRANSPORTATION  
OFFICE MEMO

September 1, 1993

TO: ALL PROJECT MANAGERS  
MANAGEMENT AND GENERAL CONSULTANTS

FROM: RON THOMAS, Contract Manager *Ron 9-2-93*  
Engineering Consultant Services

RE: ADVANCE AUTHORIZATIONS FOR  
PROPOSED CONTRACT MODIFICATIONS

Recently, ECS has received several inquiries on the Advance Authorization (Verbal) and the Contract Adjustment Talley Sheet processes for proposed contract modifications. The following is provided to assist you in determining what procedure should be followed when an advance authorization is warranted in your project.

ADVANCE AUTHORIZATIONS (VERBAL)

Advance authorizations should be limited to those situations where it is deemed to be in the best interest of the State to authorize work prior to fully executing the formal contract modification. In those rare instances where it is critical to begin work immediately, an advance authorization will allow the project to proceed uninterrupted while processing the formal contract modification. Advance authorizations are not to be used as a matter of convenience when a critical need does not exist.

Prior to issuing an advance authorization for a proposed contract modification, both the Project Manager and Consultant must be in basic agreement as to scope, cost, and length of services. When applicable in Federal Aid projects, FHWA clearance will be required.

The format to be used to document advance authorizations for contract modifications is attached. (Attachment A) The "authorization date" is the date the Project Manager verbally authorized the work. The original agreement, signed by both parties, is to be submitted to Engineering Consultants Services who will issue the authorization letter to the consultant documenting the advance authorization to the contract file. (Attachment B) Copies of the agreement are to be retained by both the Project Manager and the Consultant.

This process will insure that mutual agreement exists between the Consultant and the Project Manager and prevent misunderstandings in processing the formal contract modification.

The formal contract modification is to be submitted to Engineering Consultants Services within 10 working days of the date of the advance authorization.

Limitations on the percent of total costs incurred prior to the execution of the formal contract modification are as follows:

<u>Estimated Modification Cost</u>	<u>Percent Limitation</u>
\$100,000 or less	No limit
\$100,001 or over	20% limit

Deviations from these limitations will require approval of the Group Manager and Contracts Administrator.

#### CONTRACT ADJUSTMENT TALLEY SHEET

The "Contract Adjustment Talley Sheet" procedure was implemented to establish a force account contingency on design contracts for minor and miscellaneous changes to the scope.

This process is very similiar to the "Advance Authorization (Verbal) procedure in that it allows the project to proceed uninterrupted while processing a formal contract modification. The major difference, in addition to the forms, is that costs incurred may be invoiced as long as funding is available in the current contract/project to complete work required.

As in the advance authorization process, this process is limited to situations where it is in the best interest of the State and where the Project Manager and Consultant are in basic agreement on scope, cost and length of services. When applicable in Federal Aid projects, FHWA clearance will be required.

The "Talley Sheet" process may not be used in the following situations:

1. When funding is not available in the current contract to complete work required. (Contract Modification is required to increase contract/project amount.)
2. When a line item is not already established in the payment report format. (Consultant would not be able to invoice costs without adjusting the payment report format.)
3. When requesting budget realignments between projects. (Project amounts may not be adjusted without a Contract Modification.)
4. When contract adjustment exceeds the \$50,000 limit. (Contract Modification is required.)

The "Talley Sheet" process requires that each contract adjustment/task authorization is assigned a number and the use of the attached forms to document the process. (Attachment C & D) The "Talley Sheet" form requires support documentation to be attached (i.e. task authorization, consultant cost estimate, etc.). The Project Manager will retain the original form and furnish copies to the Consultant and Engineering Consultants Services following each adjustment.

A formal contract modification is to be submitted to Engineering Consultants Services when the total to date amount reaches +/- \$50,000 or when the contract needs to be replenished.

If you have any additional questions, please feel free to contact Engineering Consultants Services at 255-7525.

RT:smt

Attachments

B1.3.32-34

## ATTACHMENT A

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Current Contract Amount

4272j/19

ENGINEERING CONSULTANTS SERVICES  
BASIC AGREEMENT  
OF  
TASK AUTHORIZATION  
FOR  
PROPOSED CONTRACT MODIFICATION

ATTACHMENT B

Date\_\_\_\_\_

TO: PROJECT MANAGER  
Firm Name

FROM: PROJECT LEADER  
ADOT Office

RE: Contract No. \_\_\_\_\_  
Project No. \_\_\_\_\_  
TRACS No. \_\_\_\_\_  
Authorization Date \_\_\_\_\_

As of the date shown above, you are hereby authorized to perform the following services:

SCOPE OF WORK (brief description of services to be performed)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

JUSTIFICATION (brief statement as to necessity of services)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

ESTIMATED MANHOURS: \_\_\_\_\_ ESTIMATED COST: Not to exceed \$ \_\_\_\_\_

\_\_\_\_\_  
ADOT PROJECT LEADER

\_\_\_\_\_  
DATE

\_\_\_\_\_  
CONSULTANT

\_\_\_\_\_  
DATE

ENGINEERING CONSULTANTS SERVICES  
DOCUMENTATION OF BASIC AGREEMENT  
OF

ATTACHMENT C

ADVANCE AUTHORIZATION

FOR

PROPOSED CONTRACT MODIFICATION

ORIGINAL SIGNED AGREEMENT TO BE SENT TO ENGINEERING CONSULTANTS SERVICES

Authorization Date \_\_\_\_\_

Contract No. \_\_\_\_\_

Consultant \_\_\_\_\_

Project No. \_\_\_\_\_

TRACS No. \_\_\_\_\_

Date CO due to ECS: \_\_\_\_\_

The formal contract modification will include:

- |                                  |                                   |
|----------------------------------|-----------------------------------|
| • Transmittal letter to ECS      | <u>When applicable:</u>           |
| • Scope of work                  | • DBE %                           |
| • Justification for scope change | • PE cost and construction cost   |
| • Cost derivation                | • PE percent of construction cost |
| • Man hours by task              | • Advance authorization letter    |

SCOPE OF WORK (brief description of services to be performed)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

ESTIMATED LENGTH OF SERVICES: \_\_\_\_\_

ESTIMATED COST: \$ \_\_\_\_\_ ESTIMATED MANHOURS: \_\_\_\_\_

LIMITATION ON COSTS INCURRED PRIOR TO EXECUTION OF CONTRACT MODIFICATION \_\_\_\_%

_____	_____	_____	_____
ADOT PROJECT LEADER	DATE	CONSULTANT	DATE

WAIVER ON LIMITATION OF COSTS INCURRED FROM \_\_\_\_% TO \_\_\_\_%

RECOMMEND APPROVAL

APPROVAL

_____	_____	_____	_____
CONTRACTS ADMINISTRATOR	DATE	GROUP MANAGER	DATE

Current Date

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

RE: Contract No.: \_\_\_\_\_  
Project Location: \_\_\_\_\_  
Project Description: \_\_\_\_\_  
Project No.: \_\_\_\_\_  
TRACS No.: \_\_\_\_\_  
Contract Modification No.: \_\_\_\_\_

Dear \_\_\_\_\_:

This will confirm that you were given advance authorization effective (date of authorization) \_\_\_\_\_ to perform the services described below on the above referenced contract.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The additional work is necessary for the following reason:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

It is estimated that this contract modification will total approximately \$\_\_\_\_\_.

Please note that this is an authorization to incur costs up to 20% (may be higher if waiver approved) only, not authority to invoice costs incurred. Reimbursement for costs will be made following execution of the contract modification.

You are to submit a formal contract modification request by (10 working days) to:

Engineering Consultants Services  
205 South 17th Avenue, Mail Drop 616E  
Room 222E  
Phoenix, Arizona 85007

Sincerely,

\_\_\_\_\_  
Contract Management Specialist  
Engineering Consultants Services

cc: Project Leader  
MA.3452.P2 Rev. 07/93